BILL ANALYSIS

C.S.H.B. 1931
By: Walle
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain public facility corporation developments are eligible for significant tax exemptions under state law but there are concerns that current law does not provide for significant public benefits from some developments to warrant these significant tax breaks. C.S.H.B. 1931 seeks to address this issue by setting out provisions relating to requirements for beneficial tax treatment with regard to certain public facilities in order to justify the significant tax breaks.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1931 amends the Local Government Code to condition the application of a statutory requirement that a possessory interest in the real property of a public facility granted by an applicable public facility corporation be treated in the same manner prescribed for the beneficial tax treatment as a possessory interest in real property granted by a defense base development authority on the public facility user meeting the bill's requirements. The bill does the following:

- applies its requirements only to the application of taxes related to the possessory interest;
- specifies that the requirements do not restrict a corporation's authority to lease a public facility to a private entity under terms other than the terms described by the bill; and
- defines, among other terms, the following:
  - "public facility user" as a developer or other private entity that has a leasehold or other possessory interest in a public facility used to provide multifamily housing; and
  - "housing development" as a development constructed or rehabilitated to provide multifamily housing.

C.S.H.B. 1931 prohibits a public facility user from doing the following:

- refusing to rent a residential unit in a housing development to an individual or family because the individual or family participates in the federal housing choice voucher program; or
- using a financial or minimum income standard that requires an individual or family participating in the federal housing choice voucher program to have a monthly income of more than 250 percent of the individual's or family's share of the total monthly rent payable for a residential unit.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1931 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include provisions requiring a public facility user to reserve at least 10 percent of the residential units in a housing development for individuals or families participating in the federal housing choice voucher program if the development is located in the following:

- the attendance zone of an elementary school that has passed accountability standards adopted by the Texas Education Agency for the most recent school year available;
- the attendance zone of a high school with a graduation rate of at least 85 percent; and
- a census tract in which:
    - fewer than 10 percent of the households have a household income equal to or less than the federal poverty line; and
    - the median income for households is equal to or greater than 80 percent of area median income.